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DEPARTMENT FOR AF/W PDAVIS, INR/AA BGRAVES, DRL MHARPOLE, DRL/IL
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SUBJECT: LIBERIA: UPDATE ON LABOR LAW REFORM

¶1. Summary. A revised version of section 1508.3 of the Liberian labor code, which regulates dismissal without cause, will go back to the Liberian legislature for debate. Passage of the amended code was stalled in October 2006 after the Ministry of Labor decided to make further revisions. The new version of 1508.3 is a product of multiple stakeholder workshops at the Ministry of Labor. The current section 1508.3 is regarded by Liberian workers as "employer friendly." Employers believe an overly stringent 1508.3 would be unfavorable to encouraging investment. Labor Ministry officials are expected to take the new version of 1508.3 to the Labor Committees in the Senate and House of Representatives for scrutiny and another round of debate within the next few weeks. End Summary.

¶2. Section 1508.3 of the Liberian labor law states that "Where the contract is concluded between the employer and the employee for an indefinite period, the employer shall have the right to dismiss the employee who has served for not more than one (1) year, by paying said employee three (3) months salary or wages and all arrears due to him or her, along with notice of dismissal, provided that an employee who has served for more than one (1) or more years shall not be dismissed without cause as defined in Section 1508 Sub-section(2) of this chapter." After an April 24 stakeholder workshop including the Ministry of Labor, non-governmental organizations, employers, and labor unions, a revised amendment was proposed. The proposed amendment stipulates that when a contract is concluded between employer and non-salaried employees, the employee will receive six weeks pay for each year of service, including any accrued wages and all unpaid benefits. Salaried employees will receive one and a half months salary for each completed year of service, including any unpaid accrued salaries and benefits. Employees who have worked for more than ten years under the same employer cannot be dismissed without cause as defined in 1508.2.

¶3. The idea to revise 1508.3 from the Liberian labor laws originated from the Ministry of Labor. During his confirmation hearing at the Senate in early 2006, Labor Minister Samuel Kofi Woods pledged to work to reform sections of the labor laws which did not favor Liberian workers. The Senate revised the law because it felt the original draft was unfriendly to employers and would discourage foreign investment.

¶6. Comment: The proposed amendment to 1508.3 is a compromise between the need to protect workers and the need to protect investment. The series of consultative workshops were useful to ensure that all views were considered before revising the law for the House and Senate. End Comment.

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